

**Glasgow City  
 Integration Joint Board  
 Finance and Audit Committee**

**Report By:** Sharon Wearing, Chief Officer: Finance and Resources

**Contact:** Sharon Wearing

**Tel:** 0141 287 8838

**LEITHLAND OLDER PERSONS CARE HOME AND DAYCARE CENTRE  
 NEW BUILD PROJECT – TENDER ACCEPTANCE**

<b>Purpose of Report:</b>	To advise Committee of the decision of Council Executive Committee of 27 October 2016 to approve the award of the contract for the construction of the “Leithland Care Home and Daycare Centre” to City Building (Glasgow) LLP for £22,396,501 within an overall project budget of £23,618,251.
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<b>Recommendations:</b>	The Integration Joint Board Finance and Audit Committee is asked to: <ul style="list-style-type: none"> <li>a) note the content of the attached report; and,</li> <li>b) note that further updates on the build process of the Leithland Care Home and Daycare Centre will be tabled in due course.</li> </ul>
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**Implications for Integration Joint Board:**

<b>Financial:</b>	The tender sum is within the affordability cap set for this project and can be contained within overall financial planning for this programme.
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<b>Personnel:</b>	All personnel implications will be managed during the assessment of investment proposals.
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<b>Legal:</b>	The provision of care homes and day care services is a delegated function of the Integration Joint Board. Council Legal Services will support the preparation of necessary agreements and legal advice throughout the investment programme period.
<b>Economic Impact:</b>	The investment will have a positive impact on the local economy providing employment for Glasgow based workers and opportunities for suppliers and contractors within the Greater Glasgow area.
<b>Sustainability:</b>	<p>The Centre meets the criteria set out in the Council's Sustainable Construction Policy of having a minimum of 10% recyclable material in its construction. The building is targeted to receive a 'Very Good' rating under the BREEAM (Building Research Establishment Environmental Assessment Method) classification for new building.</p> <p>The investment will have a positive impact on the local community and services for older people throughout Glasgow. The project will deliver a state of the art residential and daycare facility with market leading designs and standards which are aimed at setting benchmarks for services across care sectors.</p>
<b>Sustainable Procurement and Article 19:</b>	None
<b>Equalities:</b>	None
<b>Risk Implications:</b>	None
<b>Implications for Glasgow City Council:</b>	The Council has approved the capital spend for this project.
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	None

## 1. Purpose of Report

- 1.1 To advise Committee of the decision of Council Executive Committee of 27 October 2016 to approve the award of the contract for the construction of the "Leithland Care Home and Daycare Centre" to City Building (Glasgow) LLP for £22,396,501 within an overall project budget of £23,618,251.

## **2. Background**

- 2.1 The contract for Leithland Daycare Centre was procured through the Council's Development and Regeneration Services Project Management and Design Team for project design, contractor procurement, and construction management, with City Building (Glasgow) LLP being appointed contractor under Teckal, subject to Best Value being evidenced.
- 2.2 The new Leithland Care Home and Daycare centre is the fourth care Home to commence under the Social Work services new-build programme of works.
- 2.3 The attached Council Executive Committee paper at Appendix 1 outlines the detail of the tender process and a breakdown of the project costs.

## **3. Recommendations**

- 3.1 The Integration Joint Board Finance and Audit Committee is asked to:
  - a) note the content of the attached report; and,
  - b) note that further updates on build progress of the Leithland Care Home and Daycare Centre will be tabled in due course.

**APPENDIX**

27th October 2016



**Glasgow City Council**

**Executive Committee**

**Report by Director of Governance and Solicitor to the Council**

**Contact: Sharon Wearing, Phone 0141 287 8838**

**Leithland Older Persons Care Home and Daycare Centre – New-Build  
Project – Tender Acceptance**

**Purpose of Report:**

To recommend acceptance of the tender from City Building (Glasgow) LLP for the construction of the new “Leithland Care Home and Daycare Centre”.

**Recommendations:**

It is recommended that the Executive Committee :

- i. notes the report; and
- ii. approves the award of contract for the construction of the “Leithland Care Home and Daycare Centre” to City Building (Glasgow) LLP for £22,396,501 within an overall project budget of £23,618,251.

Ward No(s):

Citywide:

Local member(s) advised:  
Yes

No

Yes

Consulted:

No

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## 1. Leithland Older Persons Care Home and Daycare Centre

- 1.1 On 11<sup>th</sup> September 2014 the Executive Committee agreed to the construction of a care home and daycare centre at Leithland.
- 1.2 The Executive Committee agreed that the new Care Home and Daycare Centre would be traditionally procured through the appointment of Development and Regeneration Services - Project Management & Design (PM&D) for project design, contractor procurement, and construction management, with City Building (Glasgow) LLP being appointed contractor under Teckal, subject to Best Value being evidenced. PM&D prepared all of the contract documentation and have appraised the completed and returned tender.
- 1.3 The new Leithland Care Home and Daycare Centre is the fourth Care Home to commence under the Social Work Services new-build programme of works.

## 2. TENDER PROCESS

- 2.1 Tender documentation was prepared following Client agreement of final designs and was issued to City Building on 29<sup>th</sup> March 2016 with a return date of 8<sup>th</sup> June 2016 with which City Building complied.
- 2.2 City Building was advised that their tender would be evaluated in accordance with Alternative 2 in JCT Series 2 Practice Note 6. After clarifications, value engineering and arithmetical corrections, a final tender price of £22,396,501 was agreed. PM&D have confirmed this represents Best Value.
- 2.3 If awarded, opportunities for further value engineering and cost reductions will continue to be pursued.
- 2.4 The construction duration noted in the returned tender is 107 working weeks. It has been agreed that whilst the tender will be recommended for acceptance based on the 107-week construction duration, discussions will continue within the project team in an effort to reduce the construction period.
- 2.5 The project cost summary is illustrated below:

Item	Cost
Amount of Corrected Tender from City Building (Glasgow) LLP (including Project Contingencies)	£22,396,501
Consultants & Project Management Fees	£1,100,000
Ancillary Costs	£121,750
Decant, ICT, Furniture & Fittings Costs	£0
<b>Total Project Cost:</b>	<b>£23,618,251</b>

### 3. Policy and Resource Implications

#### Resource Implications:

*Financial:* The tender sum is within the affordability cap set for this project and can be contained within overall financial planning for this programme.

*Legal:* Legal Services will support the preparation of necessary agreements and legal advice throughout the investment programme period.

*Personnel:* All personnel implications will be managed during the assessment of investment proposals.

*Procurement:* Procurement will be carried out in line with Council policy.

#### Council Strategic Plan:

This proposal supports the Council's commitment to improving the quality of the Education estate

#### Equality Impacts:

*EQIA carried out:* n/a

*Outcome:* n/a

#### Sustainability Impacts:

*Environmental:* The proposed new Leithland Older Persons Care Home and Daycare Centre meets the criteria set out in the Council's Sustainable Construction Policy of having a minimum of 10% recyclable material in its construction. Through other design considerations, the building is targeted to receive a 'Very Good' rating under the BREEAM (Building Research Establishment Environmental Assessment Method) classification for new building.

*Social:* This investment will have a positive impact on the local community and services for older people throughout Glasgow. The project will deliver a state of the art residential and daycare facility with market leading designs and standards which are aimed at setting benchmarks for services across care sectors.

*Economic:* This investment will have a positive impact on the local economy providing employment for Glasgow based workers and opportunities for suppliers and contractors within the Greater Glasgow area.

#### **4. Recommendations**

The Executive Committee is asked to:

- (i) note the report;
- (ii) approve the award of contract for the construction of the “Leithland Care Home and Daycare Centre” to City Building (Glasgow) LLP for £22,396,501 within an overall project budget of £23,618,251.